

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 05590 141452Z

44

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOT-00 INR-07 NSAE-00 FAA-00 PM-03 H-02 L-02 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 TRSE-00 OMB-01

(ISO) W

----- 004599

P 141443Z APR 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 0157

LIMITED OFFICIAL USE LONDON 05590

E.O. 11652:N/A

TAGS: EAIR, UK

SUBJ: CIVAIR - PAN AM

REF: LONDON 5503

1. IAN BROWN, DEPT OF TRADE, CALLED APRIL 15 TO COMPLAIN OF PAN AM ACTION RE NEW FEES FOR TRAVEL AGENTS (REFTEL). HE SAID UK "WILL NOT LET PAN AM GET AWAY WITH IT" NO MATTER WHAT ACTION UK MUST TAKE TO ACHIEVE THIS END.
2. BROWN REFERRED TO FACT PAN AM HAD NOT FILED PROPOSAL WITH UK. HE SAID ALL IATA TARIFFS ARE FILED BY BA FOR CARRIERS ON INTERNATIONAL ROUTES AND NOTED UK CONSIDERS FEE PAID TO AGENTS AS ONE OF CONDITIONS OF FARE JUST AS FREE DRINKS, SEAT PITCH, TIME LIMITS ON ITS, APEX ETC ARE AND THUS MUST RECEIVE APPROVAL OF GOVERNMENT. ON QUESTIONING, HE ADMITTED THIS VIEW CAPABLE OF INTERPRETATION BUT, UK BELIEVES IN ONE WAY OR OTHER IT HAS AUTHORITY AND CAN CONTROL THIS; IF NECESSARY BY AMENDING PA'S OPERATING CERTIFICATE IN UK.
3. BROWN NOTED BONNY HAD SPOKEN TO PA (MOORE) ON FRIDAY AS REPORTED REFTEL. HE SAID PA TAKING LEGALISTIC APPROACH AND HAD THEIR UK LAWYERS CALL CAA TO EXPLAIN

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 05590 141452Z

PA BELIEVES IT WITHIN ITS RIGHTS IN GOING AHEAD ON NEW

FEE PROGRAM WITHOUT UK PRIOR APPROVAL.

4. VIASA, ACCORDING TO BROWN HAS ANNOUNCED IT WILL GIVE HIGHER PAYMENT TO AGENTS FOR ALL TICKETS, DOMESTIC AND INTERNATIONAL AND COMBINED TRAVEL, AND T//WA REPORTEDLY WILL TAKE SIMILAR STEPS. EACH, SAID BROWN, WILL NOT LIMIT HIGHER FEES TO BUSINESS OVER 90 OF LAST YEAR BUT WILL PAY IT FOR ALL SALES.

5. COMMENT: BROWN SEEMED VERY CONCERNED THAT PA PROPOSAL WILL LEAD TO CUT-THROAT COMPETITION WITH EACH CARRIER TRYING TO OUTBID OTHERS IN UPWARD SPIRALING PAYMENTS TO AGENTS. APPARENTLY, UK HAS DECIDED THIS CANNOT BE PERMITTED AND PA WILL BE STOPPED BY ONE MEANS OR ANOTHER.

ACTION: DEPT OF TRADE CLEARLY WISHES TO DEFUSE THIS ISSUE AS QUICKLY AS POSSIBLE WITHOUT FORMAL GOVERNMENTAL CONFRONTATION. BROWN ASKED FOR US VIEWS URGENTLY SO THAT IF US/UK VIEWS SIMILAR, ISSUE CAN BE SETTLED BEFORE IT ESCALATES AND LEADS TO UNILATERAL RESTRICTIONS ON CARRIERS.

SPIERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOURISM, AIRLINES, PERSONNEL TRAVEL, PASSENGER FARES
Control Number: n/a
Copy: SINGLE
Draft Date: 14 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LONDON05590
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750130-0054
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750454/aaaabylg.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 LONDON 5503
Review Action: RELEASED, APPROVED
Review Authority: WorrelSW
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUN 2003 by ShawDG>; APPROVED <04 NOV 2003 by WorrelSW>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR - PAN AM
TAGS: EAIR, UK, PANAM
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006